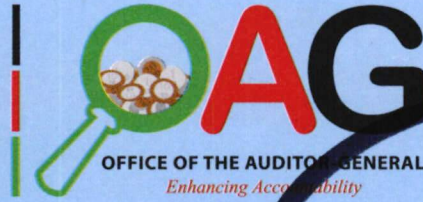


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REPORT

OF

THE AUDITOR-GENERAL

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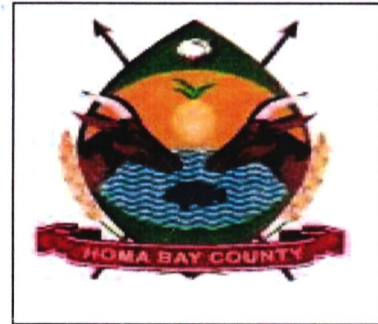
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HOMA BAY COUNTY EMERGENCY FUND

FOR THE YEAR ENDED
30 JUNE, 2025

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HOMA BAY COUNTY EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2025

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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**Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

1. Acronyms and Definition of Key Terms

a) Acronyms

CECM	County Executive Committee Member
CIDP	County Integrated Development Plan
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board

b) Definition of Key Terms

- **Administrator of the Fund:** The officer designated by the County Executive Committee Member (CECM) for Finance to oversee the day-to-day management, control, and reporting of the Fund's financial operations.
- **Appropriation:** An Authorization by the county Assembly that allows expenditure from public funds for specified purposes during a financial year.
- **Auditor General:** The constitutional officer mandated under Article 229 of the constitution of Kenya to Audit and report on the accounts of Public entities, including county Funds.
- **County Executive Committee Member (CECM) for Finance:** The county Official responsible for finance, economic planning, and fiscal policy who provides oversight and policy direction to the Fund.
- **Emergency Fund:** A special-purpose fund established under the Homa Bay county Emergency Fund Act, 2016 to provide immediate financial resources' to respond to urgent, unforeseen, and unavoidable emergencies affecting the county.
- **Fiduciary Management:** Refers to Key management personnel entrusted with, financial oversight, accountability, and the safeguarding of the Funds' assets in accordance with public finance regulations.
- **Financial Year (FY):** The accounting period running from 1st July to 30th June of the following year, as prescribed by the Public Finance Management Act ,2012.
- **Statement of Financial Performance:** A financial statement showing the Funds revenues, expenditures, and resulting surplus or deficit over a specified period.
- **Statement of Financial position:** A financial statement that presents the funds' assets, liabilities and net assets as at the reporting date.
- **Surplus:** The excess of total revenue over total expenditure within a financial year, representing funds retained in the account at year-end.
- **Use of Goods and Services:** Expenditures incurred in the procurement of supplies, materials and services required for the normal operations of the Fund

**Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

2. Key Entity Information and Management

a) Background information

Homa Bay Emergency Fund is established by and derives its authority and accountability from the Homa Bay County Emergency Act 2016. The Fund is wholly owned by the County Government of Homa Bay and is domiciled in Kenya.

The fund's objective is to provide for a fund that shall enable payments to be made in respect of the County when urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

There is an urgent and unforeseen event for expenditure if the CECM for finance guided by regulations and relevant laws establishes that:

- i. Payment not budgeted for cannot be delayed until a later financial year without harming the general public interest.
- ii. Payment is necessary to alleviate the damage, loss, hardship or suffering which maybe directly caused by the event;
- iii. Damages caused by the event is on a small scale and limited to the county
- iv. Threat damage to human life or welfare and the environment
- v. Reduce and mitigate the negative health, social and economic impact on communities resulting from production, sale and consumption.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to establish that:

- i. Payment not budgeted for cannot be delayed until a later financial year without harming the general public interest;
- ii. Payment necessary to alleviate the damage, loss, hardship or suffering which maybe directly caused by the occurrence of any event;
- iii. Damages caused by the event is on a small scale and is limited only to the county
- iv. For the purposes of subsection (1) the unforeseen event is one which –
 - a) Threatens damage to human life or welfare; or
 - b) Threatens damage to the environment.

c) Fund Administration Committee

Ref	Name	Position
1	Solomon Obiero	Chairperson
2	Alphonse Werah	Fund Administrator
3	Sephaniah Okello Sita	Fund Accountant

**Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

d) Key Management Team

Ref	Position	Name
1	Fund Administrator -CECM Finance	Solomon Obiero
2	Fund Accountant	C.P.A Sephaniah Okello Sita
3	Fund Administrator	Alphonse Werah

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Daniel Anyango

f) Registered Offices

P.O. Box 469-40300
Department of Finance and Economic
Planning Homa Bay County Government
Homa Bay, Kenya

g) Fund Contacts

Telephone: (254) 2038617565/55
E-mail: Finance@homabay.go.ke
Website: www.Homabaycounty.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank
Homa Bay Branch,
Kenya

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

k) County Attorney

The County Attorney
Legal Services
Homa bay County Government
P.O.BOX 469-40300
Homa Bay, Kenya



**Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

3. Fund Administration Committee

Name	Details of qualifications and experience
	<p>HON. SOLOMON OKELLO OBIERO CEC-M FINANCE & ECONOMIC PLANNING</p> <p>Joined the County Government in November 2022 with over 20 years' experience in Operations, Finance, Supply Chain Management, Strategic Planning, Administration, Governance, and Public Policy. He previously held senior roles at ICRC, Nairobi City County, and Save the Children (Horn of Africa Region). He holds an Executive MBA (JKUAT), is an MCIPS (London) member, has a Diploma in Procurement and Supply Chain Management (UoN), and is pursuing a PhD in Public Policy at Kenyatta University. He is also a member of the Kenya Institute of Supply Chain Management (KISM).</p>
	<p>CPA ALPHONCE ODHIAMBO WERAH CHIEF OFFICER FINANCE FUND ADMINISTRATOR</p> <p>CPA Alphonse joined the County Government in December 2022 with over 20 years' experience in Operations Management, Finance, and Administration across corporate and international development sectors. He holds an MBA (Finance) and BCom (Accounting) from the University of Nairobi, is a Certified Public Accountant and member of ICPAK, a Certified PRINCE2 Project Manager, and has executive training in Leadership and Organizational Development.</p>
	<p>CPA SEPHANIAH OKELLO SITA HEAD OF ACCOUNTS FUND ACCOUNTANT</p> <p>A seasoned Audit and Assurance professional with over 25 years' experience in public sector financial management, audit, and risk governance. He previously served at the Ministry of Education, rising from County Auditor to Senior Internal Auditor. He holds a BCom from KCA University, Diploma and the Institute of Internal Auditors.</p>

**Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

4. Key Management Team

Name	Details of qualifications and experience
	<p>CPA ALPHONCE ODHIAMBO WERAH CHIEF OFFICER FINANCE FUND ADMINISTRATOR</p> <p>CPA Alphonse joined the County Government in December 2022 with over 20 years' experience in Operations Management, Finance, and Administration across corporate and international development sectors. He holds an MBA (Finance) and BCom (Accounting) from the University of Nairobi, is a Certified Public Accountant and member of ICPAK, a Certified PRINCE2 Project Manager, and has executive training in Leadership and Organizational Development.</p>
	<p>CPA SEPHANIAH OKELLO SITA HEAD OF ACCOUNTS FUND ACCOUNTANT</p> <p>CPA Sita is a seasoned Audit and Assurance professional with over 25 years' experience in public sector financial management, audit, and risk governance. He previously served at the Ministry of Education, rising from County Auditor to Senior Internal Auditor. He holds a BCom (Accounting) from KCA University, a Diploma in Auditing, is a CPA-K, and a member of ICPAK and the Institute of Internal Auditors (IIA).</p>

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

5. Report of the Chairman of the Fund

The Homa Bay County Emergency Fund has in its functions of establishing a fund that shall enable payments to be made in respect of the county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority as in the financial year 2024-2025 achieved a milestone in comparison to previous years.

In view of the routine functions, the board in collaboration with partners and other stakeholders set up an emergency fund account for Homa Bay County Government. This plan will boost the lives and social stature of the affected individuals in the county once implemented.

However, the fund has had a short term plan of identifying emergencies in the county of Homa Bay with intent to curb any occurrence of damages to an extent that cannot be controlled.

In the FY 2024-2025, the Fund received a disbursement of **Kshs. 1,000,000** from the county Treasury bringing a total revenue of **Kshs. 1,000,000.00** and spent **Kshs. 1,000,862.50** on its expenditures. The account balance as at 30th June 2025 was **Kshs.595, 888.33**

The Fund is now seeking high levels of cooperation and partnership with other stakeholders and the national government in achieving bigger goals.



.....
Chairperson of the Fund

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of the Fund Administrator

The Homa Bay County Emergency Fund has made significant strides in FY 2024-2025, establishing a robust framework to address urgent and unforeseen expenditures. With a total revenue of **Kshs. 1,000,000.00** from the county Treasury, the Fund has successfully managed its resources, spending **Kshs. 1,000,862.50** and maintaining an account balance of **Kshs. 595,888.33** as of June 30, 2025.

The collaboration with partners and stakeholders to set up the emergency fund account underscores a commitment to enhancing the lives and social welfare of individuals affected by emergencies in Homa Bay County. The short-term focus on identifying and mitigating emergencies is crucial in preventing damages that could escalate beyond control.

Looking ahead, the Fund aims to strengthen partnerships with other stakeholders and the national government to achieve broader objectives. This collaborative approach will enhance resource mobilization and ensure that the Fund can respond effectively to emergencies, ultimately improving resilience and support for the community.

Continued engagement with local communities, NGOs, and government entities will be vital in identifying priority areas for intervention and ensuring that the Fund meets its goals in the years to come.



.....
Fund Administrator

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

7. Statement of Performance against the Fund’s Predetermined Objectives

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objectives of the Fund as per the strategic plan for are to:

- i. Payment not budgeted for cannot be delayed until a later financial year without harming the general public interest;
- ii. Payment necessary to alleviate the damage, loss, hardship or suffering which maybe directly caused by the occurrence of any event;
- iii. Damages caused by the event is on a small scale and is limited only to the county
- iv. For the purposes of subsection (1) the unforeseen event is one which –
 - a) Threatens damage to human life or welfare; or
 - b) Threatens damage to the environment.

	Objective	Outcome	Indicator	Performance
Finance unforeseen events	To ensure all Emergencies are facilitated and adhered to.	The number of Emergencies that have been sorted have been done so successfully	% of emergency situations that Have been secured	During the Financial year 2024/2025 there was only one emergency that has been well taken care of near satisfaction

8. Statement of Corporate Governance

The Homa Bay County Emergency Fund is committed to maintaining the highest standards of corporate governance, accountability, transparency, and integrity in the management of public resources. The Funds governance framework is anchored on the principles of the Public Finance Management Act, 2012, the Homa Bay County Emergency Fund Act, 2016, and the International Public Sector Accounting Standards (IPSAS)

The governance structure of the Fund comprises the Fund Administration Committee, the Fund Administrator, and key management officers, all of whom play distinct yet complementary roles in ensuring that the Funds objectives are achieved efficiently and in compliance with applicable laws and regulations. The Committee provides oversight, policy direction, and strategic guidance, while the administrator manages daily operations and ensures that all financial activities adhere to approved policies and procedures

The Funds Leadership upholds principle of Fiduciary responsibility, ensuring that all resources are used prudently, economically and for the intended purposes. All financial transactions are subjected to internal and external audits to enhance transparency and accountability. Regular reporting to stakeholders-including the county Treasury, Auditor General and the County Assembly-ensures continuous monitoring and effective oversight of Fund Operations.

In adherence to the spirit of Good governance, the Fund promotes ethical conduct, professionalism and openness in decision-making. Conflict of interest is strictly avoided, and all committee members are required to act in the best interest of the Fund and the public. Additionally, gender balance, inclusivity, and fair representation are observed in appointment and participation within governance structures.

The Fund remains dedicated to continuous improvement in governance practices by strengthening internal controls, enhancing financial management systems, and fostering partnerships with key stakeholders. This commitment ensures that the Homa Bay County Emergency Fund operates effectively, sustains public trust, and contributes meaningfully to the county's emergency preparedness and response capacity

**Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

9. Management Discussion and Analysis

During the Financial Year 2024/2025, the Homa Bay County Emergency Fund received a total disbursement of **Kshs. 1,000,000** from the County Treasury. The Fund expended **Kshs. 1,000,862.50**, resulting in an end-of-year balance of **Kshs. 595,888.33**.

The Fund’s primary expenditure was directed toward emergency response and mitigation activities, while a minimal portion covered administrative and operational costs. Despite a modest budget, the Fund demonstrated prudent utilization of resources and maintained fiscal discipline in line with the **Public Finance Management Act, 2012**.

FINANCIAL PERFORMANCE SUMMARY		
Description	Amount(Kshs)	Cumulative Amount
Emergency Expenses	1,000,862.50	1,000,000.00
Closing Fund Balance	595,888.33	1,596,750.83
Total	1,596,750.83	

FINACIAL PERFORMANCE

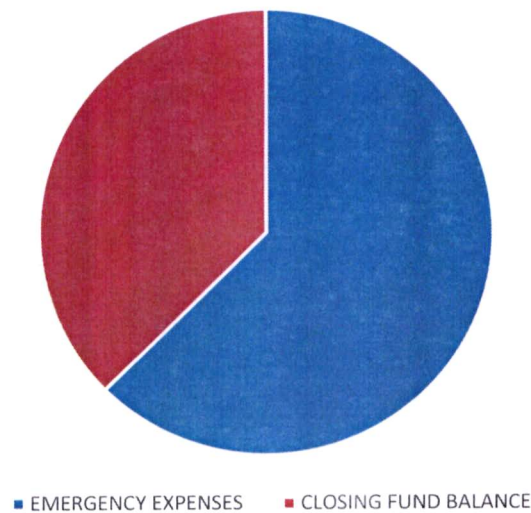


Figure 1: FY 2024/2025 Allocation of Emergency Fund Resources

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

The chart illustrates that **62.6%** of the Fund’s total resources were spent directly on emergency interventions, primarily in areas affected by floods, droughts, and fire incidents. The remaining **37.3%** represents retained balances to cushion future emergencies.

Key Projects and Achievements

- **Establishment of the County Emergency Fund Account:** Fully operationalized and integrated with county financial systems.
- **Emergency Response Operations:** Provided timely financial support for one major countywide emergency in FY 2024/25.
- **Stakeholder Engagements:** Strengthened partnerships with county departments, NGOs, and national agencies to enhance emergency preparedness.
- **Automation:** Introduced preliminary steps toward digital reporting to enhance accountability and efficiency.

Compliance and Governance

The Fund remained fully compliant with statutory provisions under the **PFM Act (2012)** and **IPSAS accrual accounting standards**. All expenditures were subjected to internal and external audits to ensure transparency.

No material arrears or statutory obligations were pending as of June 30, 2025.

Risks and Mitigation Measures

Identified Risk	Likelihood	Mitigation Strategy
Delays in disbursements	High	Strengthened coordination with the County Treasury
Limited funding capacity	Medium	Exploring partnerships with development agencies
Environmental disasters	High	Establishment of rapid response reserve fund

The management remains committed to continuous improvement in fund governance, financial prudence, and operational efficiency to ensure timely and effective response to county emergencies.

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The Homa Bay County Emergency Fund aligns its sustainability strategy with the **Sustainable Development Goals (SDGs)**, particularly:

- **SDG 11:** Sustainable cities and communities
- **SDG 13:** Climate action
- **SDG 15:** Life on land

Global climatic shifts and increased frequency of droughts and floods have highlighted the need for climate-resilient emergency interventions. The Fund has adopted sustainable resource allocation principles to ensure environmental protection while addressing urgent humanitarian needs.

2. Environmental performance

The Fund operates under a county environmental policy promoting:

- **Waste Reduction:** Transitioning toward paperless financial reporting through automation.
- **Green Procurement:** Prioritizing local suppliers offering environmentally friendly materials.
- **Energy Efficiency:** Gradual adoption of solar-powered systems and eco-lighting in county offices.
- **Carbon Footprint Reduction:** Regular maintenance of county vehicles and promotion of carpooling during operations.

The Fund also participated in **tree-planting initiatives** and community **climate adaptation programs**, partnering with the Department of Environment to plant 5,000 indigenous trees in vulnerable areas of the county.

3. Employee welfare

The Fund upholds inclusivity, safety, and professional development guided by the **Occupational Safety and Health Act (OSHA) 2007**.

Key highlights include:

- Gender-balanced staffing (40% female representation).
- Periodic staff training on emergency response, ethics, and finance management.
- Zero workplace injuries reported during FY 2024/25.

Employee performance is reviewed annually through a transparent appraisal system tied to training and rewards.

4. Marketplace practices

The Fund maintains open and competitive procurement guided by the Public Procurement and Asset Disposal Act, 2015.

- Over 30% of contracts are reserved for Youth, Women, and Persons with Disabilities (PWDs).
- Payments to suppliers are honored within 30 days of invoicing.
- Anti-corruption and whistle-blower mechanisms are actively enforced.

Responsible Citizen Engagement and CSR

The Fund continues to engage communities through:

- Public participation forums on emergency preparedness.
- Community clean-up exercises and tree planting drives.
- Support to vulnerable families affected by emergencies via relief materials and reconstruction aid.

These initiatives have strengthened the Fund's image as a responsive and environmentally responsible public entity.

5. Corporate Social Responsibility / Community Engagements

The Homa Bay County Emergency Fund demonstrated its strong commitment to community resilience and sustainable development by supporting disaster-affected households and conducting extensive community awareness forums on emergency preparedness. Working closely with local groups and county departments, the Fund spearheaded a large-scale livestock vaccination campaign against Black Quarter Disease, a major threat to animal health and local livelihoods. This initiative not only safeguarded the economic stability of pastoral families but also reinforced the Fund's proactive role in protecting livelihoods, enhancing food security, and promoting long-term community well-being across Homa Bay County.

Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of the Committee

The Committee submitted their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Principal activities

The principal activity/mission/ mandate of the Fund is to establish that:

- Payment not budgeted for cannot be delayed until a later financial year without harming the general public interest
- Payment necessary to alleviate the damage, loss, hardship or suffering which maybe directly caused by the occurrence of any event
- Damages caused by the event is on a small scale and is limited only to the county
- For the purposes of subsection (1) the unforeseen event is one which –
 1. Threatens damage to human life or welfare; or
 2. Threatens damage to the environment.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 5

Committee

The Fund Committee Members who served during the year are shown on page Vii.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....

Chairman of the Fund Administration Committee

**Homa Bay County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Emergency Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Emergency Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Homa Bay County Assembly. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Emergency Fund has assessed the Fund’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Committee on 30.06. 2025 and signed on its behalf by:



.....

Fund Administrator

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON HOMA BAY COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Homa Bay County Emergency Fund set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, the statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Homa Bay County Emergency Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Homa Bay County Emergency Fund Act, 2016 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Homa Bay County Emergency Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matter

In the prior year's audit report, one issue was raised under the Report of Lawfulness and Effectiveness in the Use of Public Resources in respect to the Construction of Market for displaced Vendors and Traders. Review of the status during the audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page ii to xvi which comprise Key Entity Information and Management, Fund Administration Committee, Key Management Team, Report of the Chairman of the Fund, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Committee and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Homa Bay County Emergency Fund financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or

my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Transfer Appropriated Funds to the Emergency Fund Account

The statement of financial performance, as disclosed in Note 7, reflects an expenditure of Kshs.1,000,000 under Emergency Expenses. An audit review of the Fund's records revealed that the amount represented transfers made from the recurrent account to the Fund account to meet emergency needs for the supply and delivery of assorted vaccines. However, audit review established that although the Fund had been allocated Kshs.31,935,539 during the year under review, the appropriated funds were not transferred from the County Revenue Fund (CRF) into the Emergency Fund account as required. This contravenes Section 2 of the Homa Bay County Emergency Fund Act, 2016, which requires the County Executive Committee Member for Finance and Economic Planning to establish and maintain a separate account into which all monies appropriated to the Fund shall be paid.

In the circumstances, the Fund's Management is in breach of the Law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

Homa Bay County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2025

14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	1,000,000	19,500,000
			3,965,527
Total Revenue		1,000,000	23,465,527
Expenses			
Emergency Expenses	7	1,000,000	22,861,522
Use of goods and services	8	862	7,255
Total Expenses		1,000,862	22,868,777
Surplus/(Deficit) for the Year		(862)	596,750



.....
Name: Alphonse Werah,
Fund Administrator

Date 30.06.2025



.....
Name: Alpha Sephaniah Okello Sifa
Fund Accountant

ICPAK Member Number:30278

Date 30.06.2025.

**Homa Bay County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2025**

15. STATEMENT OF FINANCIAL POSTION AS AT 30 June 2025

Description	Note	FY 24/25	FY 23/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	9	595,888	596,750
Total current assets		595,888	596,750
Represented By:			
Accumulated Surplus		595,888	596,750
Net Assets		595,888	596,750



.....
Name: Alphonce Weraah
Fund Administrator
Date: 30.06.2025



.....
Name: Septenrah Okello Sita
Fund Accountant
ICPAK Member Number:30278
Date: 30.06.25

Homa Bay County Emergency Fund
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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30th JUNE 2025

Description	Accumulated surplus
	Kshs
Balance As At 1 July 2023	3,965,527
Deficit For the Year	(3,368,777)
Balance As At 30 June 2024	596,750
Balance As At 1 July 2024	596,750
Surplus for the Year	(862)
Balance As At 30 June 2025	595,888

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17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30th JUNE 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts From the County Government		1,000,000	19,500,000
Total receipts		1,000,000	19,500,000
Payments			
Emergency Expenses		1,000,000	19,500,000
Use of goods and services		862	7,255
Total Payments		1,000,862	22,868,777
Net cash flows from operating activities	10	(862)	(3,368,777)
Net increase/(decrease) in cash & cash Equivalents		(862)	(3,368,777)
Cash and cash equivalents at 1 July	9	596,750	3,965,527
Cash and cash equivalents at 30 June	9	595,888	596,750

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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening Budget Carry overs						
Receipts						
Transfers From County Govt.	31,935,539	30,935,539	1,000,000	1,000,000	-	100%
Total Receipts	31,935,539		1,000,000	1,000,000	-	100%
Payments						
Emergency Expenses	31,934,539	31,935,539	1,000,000	1,000,000		100%
Use of goods and services	1,000		862	862		100%
Total Payments	31,935,539		1,000,862	1,000,862		
Deficit For the Period			(862)	(862)		100%

19. Notes to the Financial Statements

1. General Information

The Emergency Fund is established by and derives its authority and accountability from Homa Bay County Emergency Act 2016. The fund is wholly owned by the Homa Bay County Government and is domiciled in Kenya. The fund's principal activity is to provide for a fund that shall enable payments to be made in respect of the County when urgent and unforeseen need for expenditure arises for which there is no specific legislative authority

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis while the cash flow statement is prepared using the direct method.

3. Adoption of new and revised standards

When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025

There are no new standards effective in the financial year ended 30th June 2025.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of

Homa Bay County Emergency Fund
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Standard	Effective date and impact:
	<p>financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

Homa Bay County Emergency Fund
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets</p>

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Standard	Effective date and impact:
	the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on April 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget.

The Fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the fund's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

The Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Contingent liabilities

The Fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is probable.

e) Contingent assets

The Fund does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

f) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

g) Changes in accounting policies and estimates

The Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

i) Related parties

The Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes

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in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

k) Comparative figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

l) Events after the reporting period

There were no material adjusting and non-adjusting events after the reporting period.

m) Currency

The financial statements are presented in Kenya Shillings (Kshs) are rounded off to the nearest shilling.

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Transfers from the County Government

Description	FY 24/25	FY 23/24
	Kshs	Kshs
Transfers From Homa Bay County Treasury	1,000,000	19,500,000
Total	1,000,000	19,500,000

7. Emergency Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Supply and delivery of Cereals	-	2,900,000
Supply and delivery of Penicillin	-	53,324
Supply and Delivery of Assorted Vaccine	1,000,000	-
Disaster Assessment of Victims affected by Floods	-	60,000
Emergency allocations to flood victims	-	2,580,000
Supply of 90Kg bags of Rice	-	2,324,535
Supply of 90Kg bags of Green grams	-	2,672,000
Flooding Rapid Assessment within Sub-counties.	-	53,200
Committee meeting for Disaster Management	-	108,367
Construction of Market for displaced Market Vendors	-	11,610,205
Construction of 4-door toilet at Otaru Market	-	499,890
Total	1,000,000	22,861,522

8. Use of Goods and Services

Description	FY 24/25	FY 23/24
	Kshs.	Kshs.
Bank Charges	862	7,255
Total	862	7,255

9. Cash and cash equivalents.

Description	FY 24/25	FY 23/24
	Kshs	Kshs
Current Account	595,888	596,750
Total Cash and Cash Equivalents	595,888	596,750

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Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution			
a) Account number		FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
<i>Equity Bank</i>	<i>0980268936410</i>	595,888	596,750
b) Sub- Total			
Grand Total		595,888	596,750

10.Cash Generated from Operations

Description	FY 24/25	FY 23/24
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(862)	(3,368,777)
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	(862)	(3,368,777)

10. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government.
- b) Fund Administration Committee
- c) Key management.

b) The County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers from County Treasury	1,000,000	19,500,000.00
Balance b/f	596,750	3,965,826.83

11. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

d) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

12. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

13. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

Annex I: Progress on Follow up of Prior Year Auditor’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Report of Lawfulness and Effectiveness in the Use of Public Resources in respect to Construction of Market for displaced Vendors and Traders.</p>	<p>The Fund Committee has availed all supporting documentation, approvals, and correspondence in respect of this matter. The perceived delay in closure was due to administrative and logistical challenges related to project handover and verification of completion certificates from the contractors engaged. All required measures to address the issue have been implemented, including:</p> <ul style="list-style-type: none"> • Completion of the Market construction project and verification of works by the County Engineer. • Documentation of payments and compliance checks for the project, which have been shared with the audit team. • Committee oversight and follow-up actions to ensure the project fully meets 	<p>Completed</p>	<p>15/08/2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		statutory and operational requirements.		

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments” required above from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report.



.....
Fund Administrator

Date...30.06.25.....

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Annex II: Inter-Entity Confirmation Letter


Name of transferring entity: COUNTY GOVERNMENT OF HOMA BAY.

Name of beneficiary entity: HOMA BAY COUNTY EMERGENCY FUND.

Confirmation of amounts received by Homa Bay County Emergency Fund as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by County Government of Homa Bay Department (Kshs) as at 30 th June 2025			C	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
	28.04.2025	1,000,000	NIL	1,000,000	1,000,000	NIL
Total		1,000,000		1,000,000		

I confirm that the amounts shown above are correct as of the dates indicated.

Head of Accounts Department – County Government of Homa Bay:



Name Sephanrah Okello Sifi Sign Date 30.06.25

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Annex III: Analysis of Emergency Expenditure

Date	Payee	Amount	Purpose of Payment	Status (spent/not spent)
28.04.2025	Hums Agro-vet	1,000,000	Payment of Supply and Delivery of Assorted Vaccines.	The Fund Spent Ksh 1,000,000. The Items spent were Delivered and they passed through the verified inspection process.



.....
Name *Alphonse Werah*

Fund Administrator

Date *30-06-25*